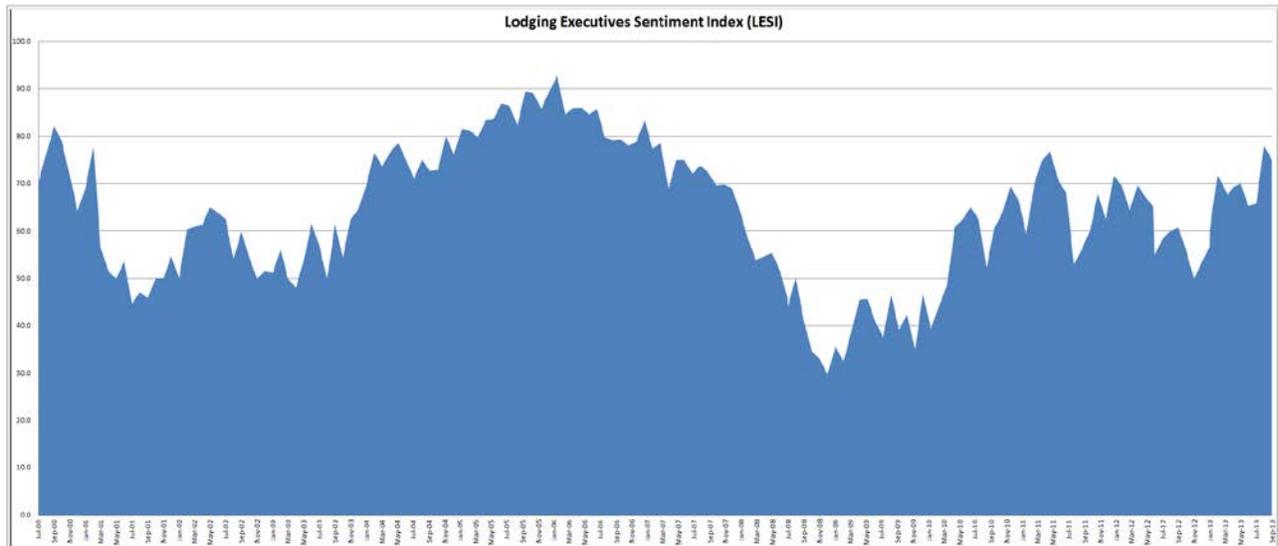


LESI Continues its Slide

The Lodging Executives Sentiment Index for the current period ending October 2013 continued its slide fractionally to 75.0 from 76.8 in September 2013. Overall the lodging executives' sentiment for present business conditions was up during this current period while future business conditions continued to weaken. There appears to be continued economic uncertainty among executives.



Fifty-three percent of lodging executives indicated current business conditions were good, an increase from thirty-eight percent last period, while forty-seven percent indicated conditions were normal, down from sixty-two percent during the same period. No executive indicated such conditions were bad in either period.

Looking forward, forty-seven percent of the executives thought conditions will be better in the next 12 months versus sixty-two percent last month, while fifty-three percent indicated they will be the same versus thirty-eight percent last month indicating they would be the same. Executive sentiment for this period revealed that no executive thought they would be worse.

Looking forward twelve months, lodging executives expect hiring of non-managerial employees to slow down, compared to September 2013. October's unemployment rate, published by the Bureau of Labor Statistics (BLS) remained level at 7.3 (adjusted post government shut down). Both the BLS rate and the LESI data are similar to the ISM Employment Index, which decreased by 2.2 percentage points, registering 53.2 percent.

The LESI indices follow the Institute of Supply Management's Index (ISM) method of tracking leading indicators. A LESI survey reading of greater than 50 indicates expansion whereas a reading below 50 indicates decline and the distance from 50 in either direction is indicating the strength of the expansion or decline. During the September period of time, the ISM Index increased to 56.4 from 56.2 in September 2013.

Lodging Executive Sentiment at a Glance					
Sentiment Indicator	Current Period	Last Period	Change	Direction of Business Activity	Speed of Change in Business Activity
ISM Index	56.4	56.2	0.2	Expanding	Very Slightly Faster
LESI Index	75.0	76.8	(1.8)	Expanding	Very Slightly Slower
Present Business Sentiment	76.7	71.4	5.3	Expanding	Slightly Faster
Future Business Sentiment	73.3	82.1	(8.8)	Expanding	Slower
Future Rooms Reservation Sentiment	80.0	82.1	(2.1)	Expanding	Very Slightly Slower
Future Employment Sentiment	60.0	65.6	(5.6)	Expanding	Slightly Slower
Source: Department of Hospitality Management, Peter T. Paul College of Business and Economics					

The most recent published issue of the *Cornell Hospitality Quarterly* (November 2013; 54 (4)) includes an article written by three professors in the Department of Hospitality Management at the UNH Peter T. Paul College of Business and Economics (formerly the Whittemore School of Business and Economics) where the LESI is used to forecast interest rates, the stock market and retail sales. The article demonstrates the accuracy of the LESI in forecasting the above well beyond currently-existing leading indicators.

The Lodging Executive Sentiment Index (LESI) is based on a monthly survey of lodging executives representing companies with more than 2.5 million hotel rooms across lodging segments and geographic regions in the United States --representing more than 55 percent of all U.S. sleeping rooms.